

Toronto 2018 BUDGET



CAPITAL BUDGET NOTES



Long-Term Care Homes & Services

2018 – 2027 CAPITAL BUDGET AND PLAN OVERVIEW

Long-Term Care Homes & Services (LTCHS) is responsible for maintaining 10 long-term care homes with an asset book value of \$248.829 million in a state of good repair to meet Ministry of Health and Long-Term Care (MOHLTC) requirements and to ensure the safety and comfort of its residents.

Included in the 10-Year Preliminary Capital Plan of \$82.564 million is funding of \$81.926 million, financed from debt and reserves, to continue the capital maintenance program to maintain the City's long-term care homes at its current level of state of good repair. Also included is reserve funding of \$0.638 million for the *Electronic Healthcare Record System* project, which will improve resident care planning by enabling electronic documentation of resident health records.

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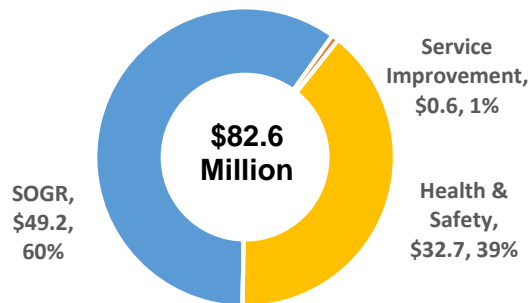
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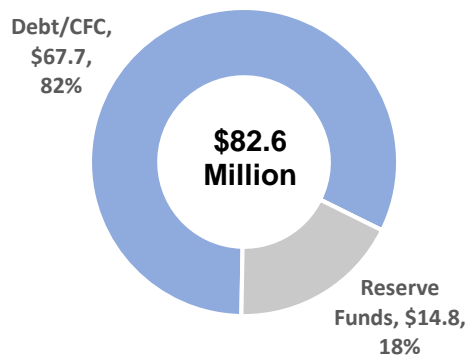
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CAPITAL SPENDING AND FINANCING

2018 - 2027 Preliminary
Capital Budget and Plan By
Project Category

By Funding Source



Where the money goes:

The 2018 - 2027 Preliminary Capital Budget and Plan totalling \$82.564 million provides funding of:

- \$32.687 million to fund projects that address health and safety requirements in the long-term care homes and ensure compliance with Ministry of Health and Long-Term Care (MOHLTC) requirements.
- \$49.239 million to continue the state of good repair projects that include building upgrades, electrical, mechanical and specialty systems.
- \$0.638 million to complete the service improvement project, *Electronic Healthcare Record System* to enable electronic documentation of health records.

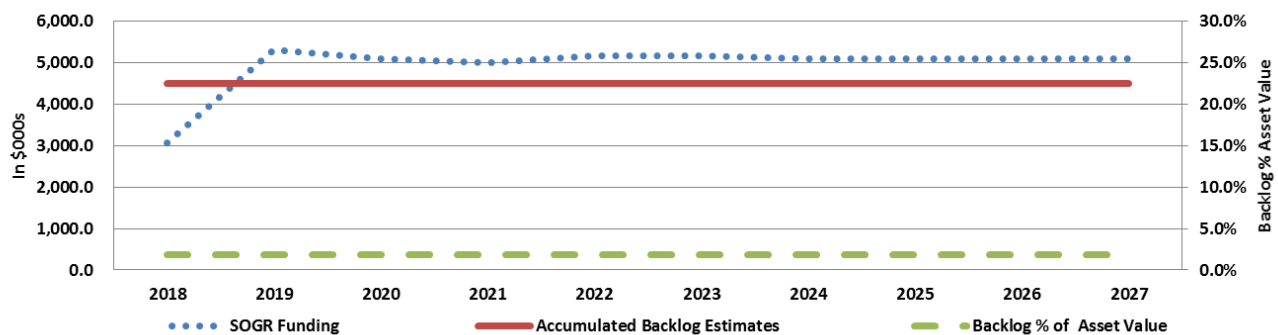
Where the money comes from:

The 10-Year Preliminary Capital Plan requires:

- Debt funding of \$67.734 million (82.0%), which meets the debt guidelines over the 10 year planning period.
- Reserve funding of \$14.830 million (18.0%) to be provided from the Homes for the Aged Reserve Fund.

State of Good Repair Backlog

The 10-Year Preliminary Capital Plan spending on State of Good Repair (SOGR) is \$49.239 million, which will maintain the City's asset in a state of good repair. The SOGR backlog as a % of asset replacement value is expected to remain at 1.8% between 2018 and 2027.

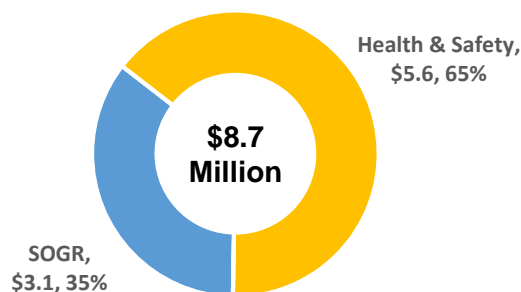


OUR KEY ISSUES & PRIORITY ACTIONS

- **Addressing unmet needs.** Mandated by the Ministry of Health and Long-Term Care (MOHLTC), the City of Toronto has five long-term care homes with a "B" and "C" classification that need to be redeveloped over a 10-15 year period.
 - ✓ The 5 long-term care homes identified for redevelopment are Carefree Lodge, Castleview Wychwood Towers (CWT), Fudger House, Lakeshore Lodge and Seven Oaks, which will require funding of approximately \$421.582 million over the next 10-15 years.
 - ✓ The redevelopment of these homes depends on the completion of *George Street Revitalization (GSR)* project (refer to the Capital Budget Notes for Shelter Support & Housing Administration [SSHA]), which will provide the necessary swing space for residents during redevelopment.
 - ✓ Due to funding and project dependency, the capital costs to redevelop these homes are not included in the 10-Year Capital Plan. However, capital costs for the construction of the GSR project is included in the 10-Year Capital Plan for SSHA, which will serve as a catalyst for the redevelopment of other homes.
 - ✓ 10-Year Capital Plan includes funding of \$49.239 million to maintain these homes in a state of good repair until redevelopment is possible.



2018 Preliminary Capital Budget By Project Category

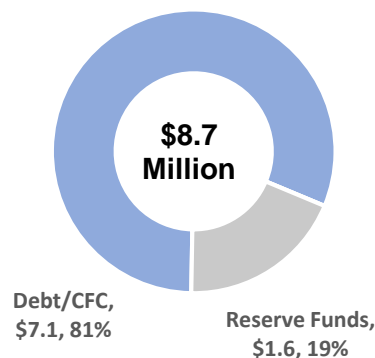


2018 CAPITAL BUDGET HIGHLIGHTS

The 2018 Preliminary Capital Budget for Long-Term Care Homes & Services of \$8.690 million, excluding carry forward funding, will:

- Continue the capital maintenance plan to address the required SOGR and Health and Safety requirements at 10 long-term care homes.

By Funding Source



Actions for Consideration

Approval of the 2018 Preliminary Capital Budget as presented in these notes requires that:

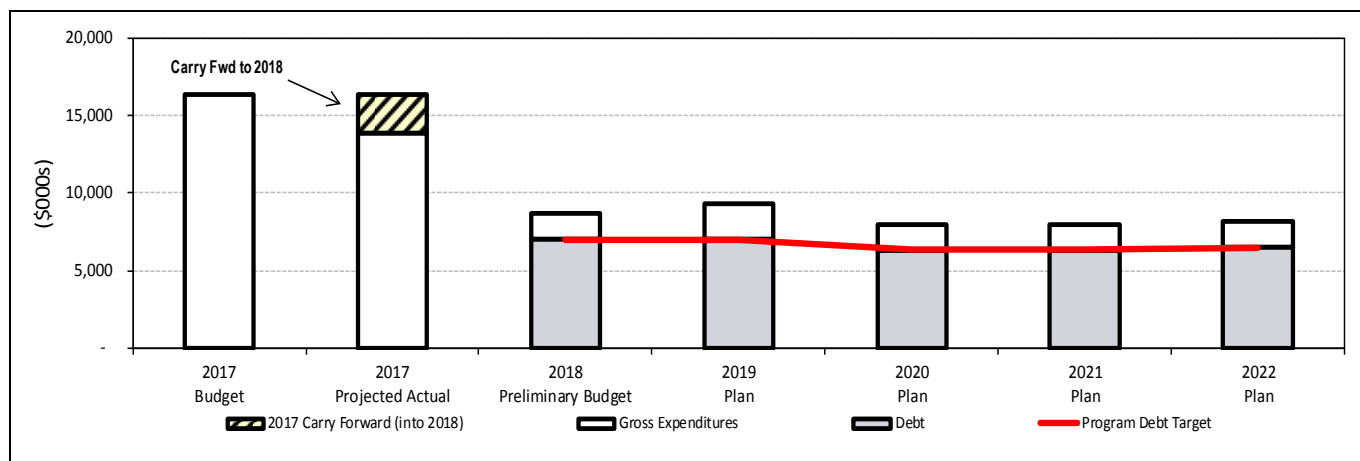
1. City Council approve the 2018 Capital Budget for Long-Term Care Homes & Services with a total project cost of \$8.690 million, and 2018 cash flow of \$11.168 million and future year commitments of \$3.438 million comprised of the following:
 - a) New Cash Flow Funds for:
 - i. 4 new sub-projects with a 2018 total project cost of \$8.690 million that requires cash flow of \$5.890 million in 2018 and future year cash flow commitments of \$2.800 million for 2019.
 - ii. 3 previously approved sub-projects with a 2018 cash flow of \$2.800 million; and future year cash flow commitments of \$0.638 million for 2019.
 - b) 2017 approved cash flow for 5 previously approved sub-projects with carry forward funding from 2017 into 2018 totalling \$2.478 million.
2. City Council approve the 2019 - 2027 for Long-Term Care Homes & Services totalling \$73.874 million in project estimates, comprised of \$9.328 million for 2019; \$7.977 million for 2020; \$7.977 million for 2021; \$8.150 million for 2022; \$8.150 million for 2023; \$8.073 billion for 2024; \$8.073 million for 2025; ; \$8.073 million for 2026; and \$8.073 million in 2027.



Part 1:

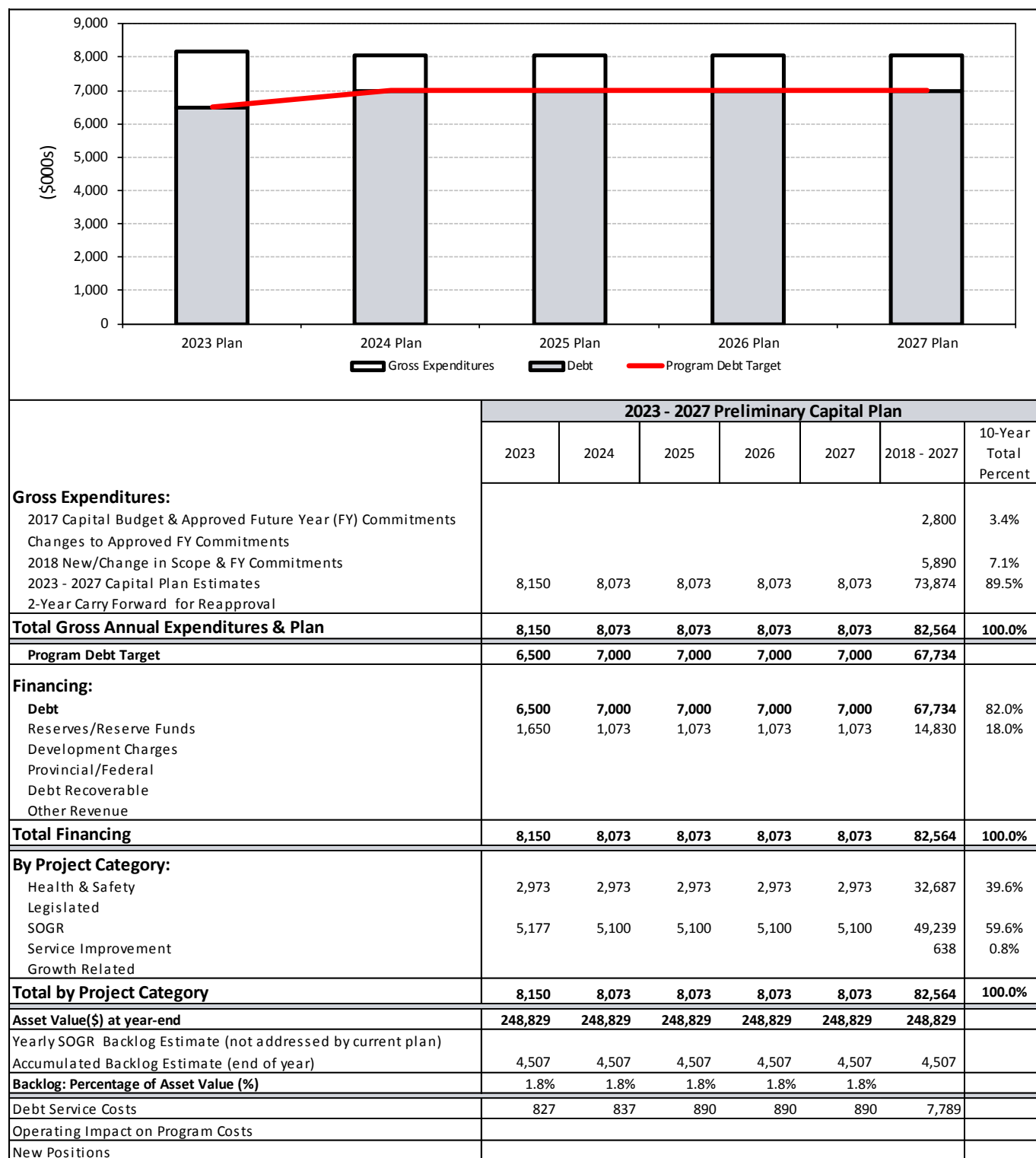
10-Year Preliminary Capital Plan

Table 1a
10-Year Capital Plan
2018 Preliminary Capital Budget and 2019 - 2022 Capital Plan



2018 Preliminary Capital Budget and 2019 - 2022 Capital Plan								
	2017		2018	2019	2020	2021	2022	2018 - 2022
	Budget	Projected Actual						5-Year Total Percent
Gross Expenditures:								
2017 Capital Budget & Approved Future Year (FY) Commitments	16,398	13,920	2,800					2,800 6.6%
Changes to Approved FY Commitments			5,890					5,890 14.0%
2018 New/Change in Scope & FY Commitments				9,328	7,977	7,977	8,150	33,432 79.4%
2019 - 2022 Capital Plan Estimates								
2-Year Carry Forward for Reapproval								
1-Year Carry Forward to 2018		2,478						
Total Gross Annual Expenditures & Plan	16,398	16,398	8,690	9,328	7,977	7,977	8,150	42,122 100.0%
Program Debt Target			7,040	7,040	6,327	6,327	6,500	33,234
Financing:								
Debt			7,040	7,040	6,327	6,327	6,500	33,234 78.9%
Reserves/Reserve Funds			1,650	2,288	1,650	1,650	1,650	8,888 21.1%
Development Charges								
Provincial/Federal								
Debt Recoverable								
Other Revenue								
Total Financing			8,690	9,328	7,977	7,977	8,150	42,122 100.0%
By Project Category:								
Health & Safety	6,835		5,630	3,373	2,873	2,973	2,973	17,822 42.3%
Legislated	5,389							
SOGR	2,566		3,060	5,317	5,104	5,004	5,177	23,662 56.2%
Service Improvement	1,608			638				638 1.5%
Growth Related								
Total by Project Category	16,398		8,690	9,328	7,977	7,977	8,150	42,122 100.0%
Asset Value (\$) at year-end	248,829		248,829	248,829	248,829	248,829	248,829	248,829
Yearly SOGR Backlog Estimate (not addressed by current plan)								
Accumulated Backlog Estimate (end of year)	4,507		4,507	4,507	4,507	4,507	4,507	4,507
Backlog: Percentage of Asset Value (%)	1.8%		1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
Debt Service Costs			106	857	878	805	808	3,454
Operating Impact on Program Costs								
New Positions								

Table 1b
10-Year Capital Plan
2023 - 2027 Preliminary Capital Plan

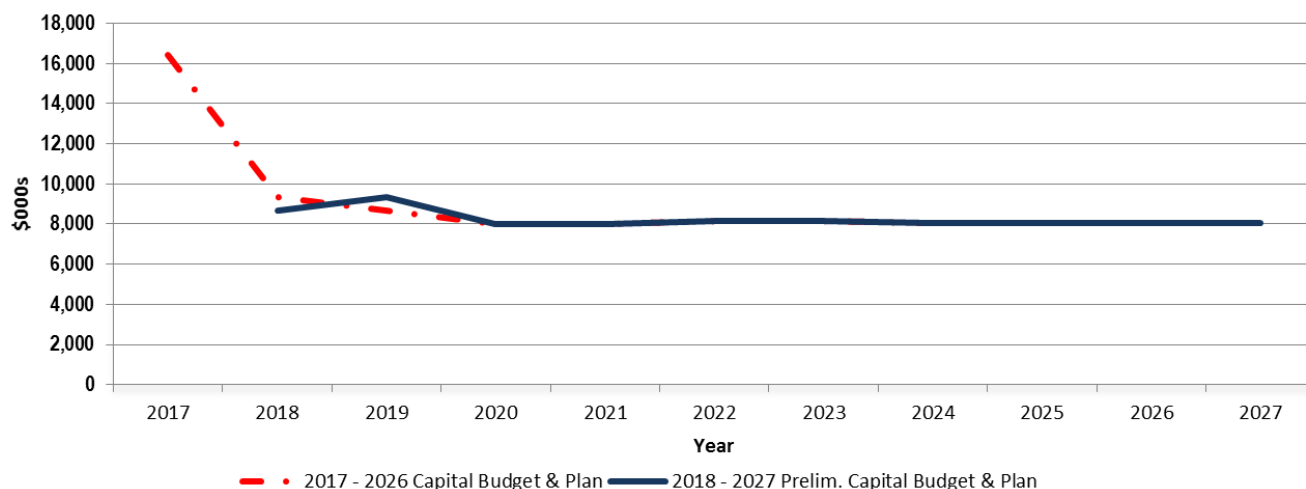


Key Changes to the 2017 - 2026 Approved Capital Plan

The 2018 Preliminary Capital Budget and the 2019 - 2027 Preliminary Capital Plan reflects a decrease of \$8.325 million in capital funding from the 2017 - 2026 Approved Capital Plan.

The chart and table below provide a breakdown of the \$8.325 million or 9.2% decrease in the Capital Program on an annual basis from 2017 - 2027.

Chart 1
Changes to the 2017 - 2026 Approved Capital Plan (In \$000s)



(\$000s)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	10-Year Total
2017 - 2026	16,398	9,328	8,690	7,977	7,977	8,150	8,150	8,073	8,073	8,073		90,889
2018 - 2027		8,690	9,328	7,977	7,977	8,150	8,150	8,073	8,073	8,073	8,073	82,564
Change %		(6.8%)	7.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		(9.2%)
Change \$		(638)	638	0	0	0	0	0	0	0		(8,325)

As made evident in Chart 1 above, the \$8.325 million decrease in the Capital Plan is entirely attributed to the difference in capital spending approved in 2017 for *Kipling Acres Redevelopment* project which is now substantially complete, as compared to planned capital investments in the year 2027, which reflect ongoing SOGR funding levels.

The Capital Program also reflects the deferred \$0.638 million from 2018 to 2019 for the *Electronic Healthcare Record System* to align with updated project timelines.

As reflected in Table 2 on the following page, changes to the 2017 - 2026 Approved Capital Plan, specifically over the nine common years of the Capital Plans (2018 – 2026) shows the cash flow deferral of \$0.638 million from 2018 to 2019 and the reprioritization of SOGR and Health & Safety projects based on critical needs and readiness to proceed.

A summary of project changes for the years 2018 - 2026 are provided in Table 2 below:

Table 2
Summary of Project Changes (In \$000s)

\$000s	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018 - 2026 Total
2017 - 2026 Capital Budget & Plan	16,398	9,328	8,690	7,977	7,977	8,150	8,150	8,073	8,073	8,073		74,491
2018 - 2027 Preliminary Capital Budget & Plan		8,690	9,328	7,977	7,977	8,150	8,150	8,073	8,073	8,073	8,073	74,491
Capital Budget & Plan Changes (2018 - 2026)		(638)	638									

	Total Project Cost	2018	2019	2020	2021	2022	2023	2024	2025	2026	2018 - 2026	2027	Revised Total Project Cost
Changes to Previously Approved Commitments in 10-Year Capital Plan													
<i>Building Upgrades</i>	34,511	231	463								694		35,205
<i>Electrical</i>	20,224	(684)	(963)								(1,647)		18,577
<i>Mechanical</i>	14,722	192	500								692		15,414
<i>Specialty Systems</i>	13,086	261									261		13,347
<i>Electronic Healthcare Record System</i>	2,246	(638)	638										2,246
Total Changes	84,789	(638)	638										84,789

Significant Capital Project Changes in Long-Term Care Homes & Services:

Cash flow funding for the following previously approved capital projects have been adjusted based on historical spending rates, new emerging needs and expected progress and completion of the projects, as outlined below:

Changes to Previously Approved Projects' Future Year Commitments

Project Cost Decreases:

- *Electrical* – The 10-Year Preliminary Capital Plan includes a decrease of \$1.647 million in funding to free up debt capacity for more urgent building upgrades, mechanical and specialty system projects.

Project Cost Increases:

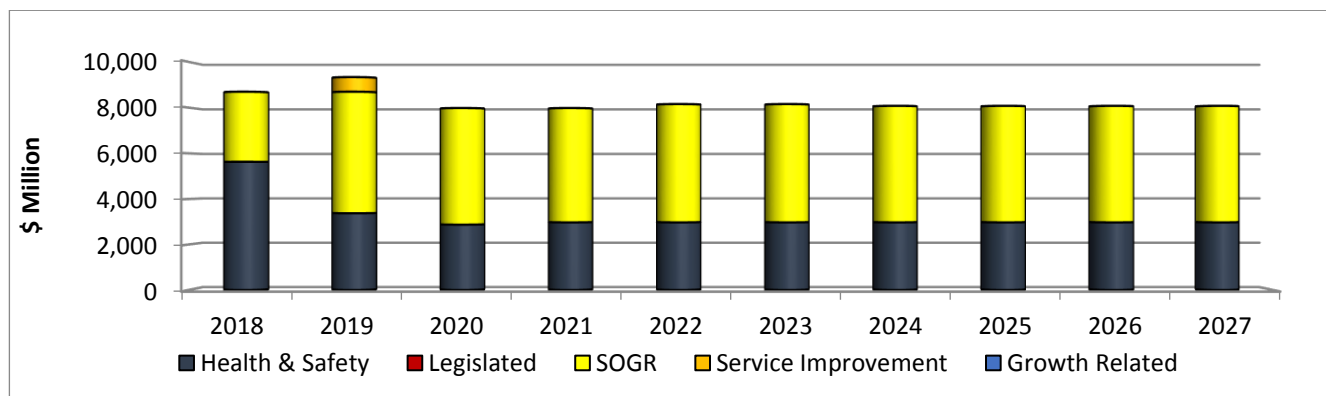
- *Building Upgrades* – Funding has been increased by \$0.694 million to address additional needs identified by seven homes including, flooring, roofing, and windows maintenance.
- *Mechanical* - Funding has been increased by \$0.692 million to replace HVAC control systems at Bendale Acres and Seven Oaks.
- *Specialty Systems* - Funding has been increased by \$0.261 million to modernize and renovate kitchens and elevators at Fudger House and Lakeshore Lodge.

Deferrals/Accelerations:

- *Electronic Healthcare Record System* – Cash flow funding estimates have been realigned according to revised project timelines, cash flow funding has been deferred from 2018 to 2019 to reflect the new anticipated completion date.

2018 – 2027 Preliminary Capital Plan

Chart 2
2018 – 2027 Preliminary Capital Plan by Project Category (In \$000s)



As illustrated in Chart 2 above, the 10-Year Preliminary Capital Plan for LTCHS of \$82.564 million provides 59.6% funding for State of Good Repair (SOGR) projects, 39.6% for Health & Safety projects, and 0.8% for one Service Improvement project.

- Majority of the cash flow funding (\$81.926 million) is dedicated to State of Good Repair and Health & Safety projects to ensure the safety and protection of residents and prevent major capital costs through the preservation and ongoing maintenance of heating / mechanical systems, outside repairs, elevators and roofing at the long-term care homes.
- Service Improvement project, *Electronic Healthcare Record System*, accounts for 0.8% or \$0.638 million will deliver a technology solution to document resident health records and support case-based decisions.

Table 3 below details all capital projects, by category, included in the 2018 - 2027 Preliminary Capital Budget and Plan for LTCHS:

Table 3
2018 - 2027 Capital Plan by Project Category (In \$000s)

	Total App'd Cash Flows to Date*	2018 Budget	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2018 - 2027 Total	Total Project Cost
Total Expenditures by Category													
Health & Safety													
Building Upgrades			650	650	650	650	650	650	650	650	650	5,850	
Electrical		1,400	1,111	1,111	1,211	1,211	1,211	1,211	1,211	1,211	1,211	12,099	
Mechanical		2,450	1,387	887	887	887	887	887	887	887	887	10,933	
Specialty Systems		1,780	225	225	225	225	225	225	225	225	225	3,805	
Sub-Total		5,630	3,373	2,873	2,973	2,973	2,973	2,973	2,973	2,973	2,973	32,687	
State of Good Repair													
Building Upgrades		3,060	3,292	2,829	2,829	2,829	2,829	2,829	2,829	2,829	2,829	28,984	
Electrical			810	810	810	810	810	733	733	733	733	6,982	
Mechanical			371	371	371	371	371	371	371	371	371	3,339	
Specialty Systems			844	1,094	994	1,167	1,167	1,167	1,167	1,167	1,167	9,934	
Sub-Total	-	3,060	5,317	5,104	5,004	5,177	5,177	5,100	5,100	5,100	5,100	49,239	-
Service Improvements													
Electronic Healthcare Record System	2,514		638									638	3,152
Sub-Total	2,514	-	638	-	-	-	-	-	-	-	-	638	3,152
Total Expenditures by Category (excluding carry forward)	2,514	8,690	9,328	7,977	7,977	8,150	8,150	8,073	8,073	8,073	8,073	82,564	3,152

2018 - 2027 Capital Projects

The 10-Year Preliminary Capital Plan is in keeping with LTCHS' objectives to ensure all health and safety issues are addressed and that the physical assets are maintained in a state of good repair to ensure safe and secure places for residents and visitors.

Health and Safety

- Health and Safety projects include:
 - *Building Upgrades (\$5.850 million)* – Funding is provided for flooring, roofing and external and internal structural work in the 10 long-term care homes.
 - *Electrical (\$12.099 million)* – These funds are for work required for lighting upgrades, general electrical systems and nurse call systems at each of the LTCH's sites.
 - *Mechanical (\$10.933 million)* – This project provides funds to undertake work on the HVAC control systems, cooling and heating plants and ventilation systems at the LTCH's sites.
 - *Specialty Systems (\$3.805 million)* – Funding is provided for capital maintenance work on elevators and security equipment at the LTCH's sites.

State of Good Repair (SOGR)

- SOGR projects account for \$49.239 million or 59.6% of the total 10-Year Preliminary Capital Plan's investments, which will maintain homes in a state of good repair in order to prevent major capital costs. These SOGR work include, but not limited to, flooring, roofing, room renovation, fencing and other structural work.

Service Improvements

- Service Improvement project, *Electronic Healthcare Record System*, amounts to \$0.638 million or 0.8% of the total 10-Year Preliminary Capital Plan's expenditures will deliver a technology solution to document resident health records and support case-based decisions.

2018 Preliminary Capital Budget and Future Year Commitments

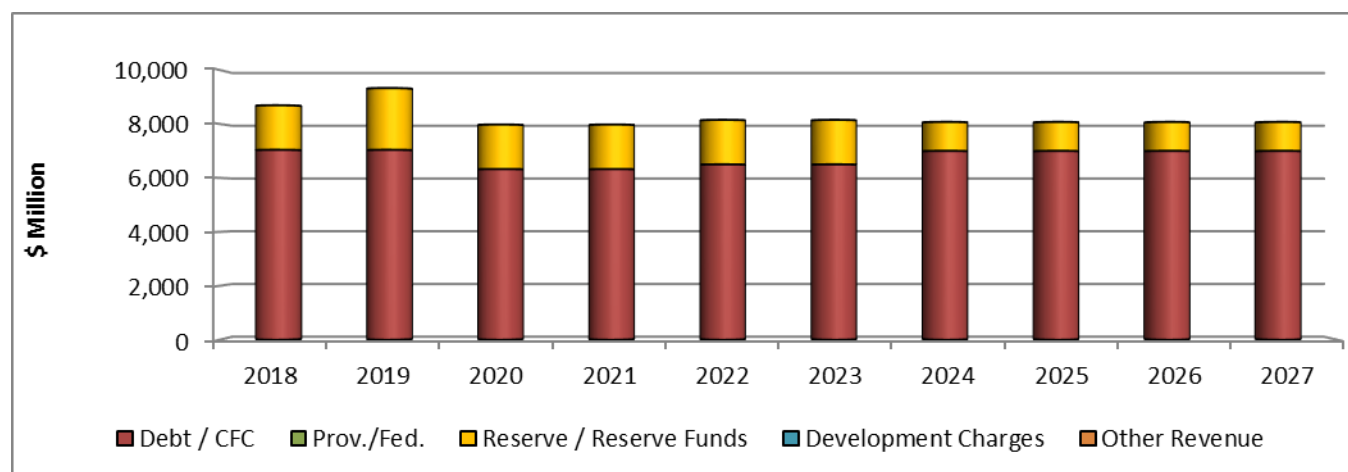
Included as a sub-set of the 10-Year Capital Plan is the 2018 Preliminary Capital Budget and Future Year Commitments, that consists of 2018 and future year cash flow funding estimates for projects previously approved by Council as well as new projects which collectively, require Council approval to begin, continue or complete capital work.

Table 3a on the following page lists the capital projects to be funded by the 2018 Preliminary Capital Budget and associated Future Year Commitments for LTCHS:

Table 3a
2018 Cash Flow & Future Year Commitments (In \$000s)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total 2018 Cash Flow & FY Commits
Expenditures:											
Previously Approved											
<i>Building Upgrades</i>	1,350										1,350
<i>Electrical</i>											
<i>Health & Safety HVAC</i>	1,000										1,000
<i>Specialty Systems</i>	450										450
<i>Electronic Healthcare System</i>		638									638
Subtotal	2,800	638									3,438
New w/Future Year											
<i>Building Upgrades</i>	1,710	2,300									4,010
<i>Electrical</i>	1,400										1,400
<i>Mechanical</i>	1,450	500									1,950
<i>Specialty Systems</i>	1,330										1,330
Subtotal	5,890	2,800									8,690
Total Expenditure	8,690	3,438									12,128
Financing:											
Debt/CFC	8,519	2,800									11,319
Debt Recoverable											
Other											
Reserves/Res Funds	171	638									809
Development Charges											
Provincial/Federal											
Total Financing	8,690	3,438									12,128

Chart 3
2018 – 2027 Preliminary Capital Plan by Funding Source (In \$000s)



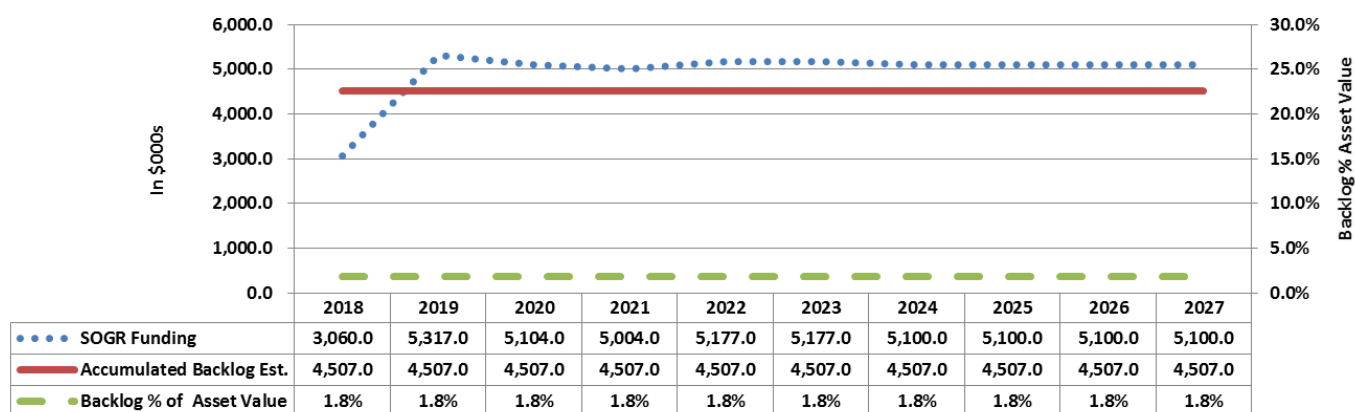
The 10-Year Preliminary Capital Plan of \$82.564 million will be financed by the following sources:

- Debt accounts for \$67.734 million or 82.0% of the financing over the 10-year period dedicated to Health & Safety and SOGR projects including:

- Building Upgrades (\$20.642 million),
- Electrical (\$19.081 million),
- Mechanical (\$14.272 million), and
- Specialty Systems (\$13.739 million).
- Reserve and Reserve Funds constitute \$14.830 million or 18.0% of required funding over 10 years for the following projects:
 - SOGR project on building upgrades (\$14.192 million) and
 - Electronic Healthcare Record System project (\$0.638 million).

State of Good Repair (SOGR) Backlog

Chart 4
SOGR Funding & Backlog (In \$000s)



The 10-Year Preliminary Capital Plan dedicates \$49.239 million to SOGR spending over the 10-year period, which on average is \$4.507 million annually.

- Long-Term Care Homes & Services' capital maintenance program ensures that life safety issues are addressed and that the homes are maintained in a state of good repair to avoid future major costs from becoming necessary.
- The 10-Year Capital Plan's spending on State of Good Repair is \$49.239 million. This funding will ensure the safety, security and comfort of residents as well as mitigate risks to the City while complying with the Ministry of Health and Long-Term Care (MOHLTC) requirements.
- The accumulated backlog at the end of 2017 is estimated to be \$4.507 million. Continuous SOGR funding through the 10-year period will ensure the backlog is maintained at \$4.507 million or 1.8% of the asset replacement value of \$248.829 million.



Part 2:

Issues for Discussion

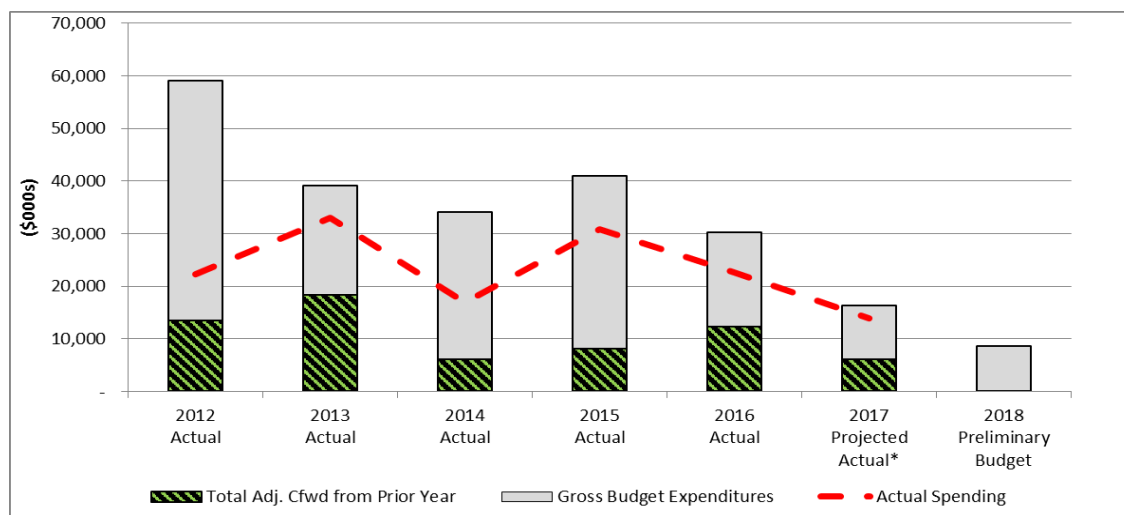
Issues Impacting the 2018 Capital Budget

Review of Capital Projects and Spending

- City Council, at its meeting of May 25, 2017 considered the report entitled "2018 Budget Process – Budget Directions and Schedule EX25.18" and directed that City Programs and Agencies submit their 2018 – 2027 Capital Budget and Plans requiring that:
 - Annual cash flow funding estimates be examined to more realistically match cash flow spending to project activities and timing, especially in the first 5 years of the Capital Plan's timeframe.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX25.18>
- The 2018 – 2027 Preliminary Capital Budget and Plan for Long-Term Care Homes & Services (LTCHS) has been established following a review of capital requirements based on the reprioritization of capital needs; a review of the Program's spending capacity and the readiness to proceed of planned projects; as well as the ability to reduce overall debt funding and/or leverage non-debt funding sources.
 - LTCHS had an average annual spending rate over the past five years 2012 – 2016 of 61.4%, inclusive of the large scale, multi-year major capital project, *Kipling Acres Redevelopment*. The average spending rate over this period for SOGR projects has been 81.0%.
 - With the completion of *Kipling Acres Redevelopment* in 2017, the average spending rate overall is expected to increase to 84.9% in 2017.
- The following table and chart illustrates LTCHS's rate of spending from 2012 to 2016 as well as the projected year-end spending rate for 2017.

Chart 5
Capacity to Spend – Budget vs. Actual
(In \$000s)

Category	2012			2013			2014			2015			2016			Spending Rate 5 Year 2012-2016	2017		
	Budget	Actual	Spending Rate %	Budget	Actual	Spending Rate %	Budget	Actual	Spending Rate %	Budget	Actual	Spending Rate %	Budget	Actual	Spending Rate %		Budget	Projected Actual *	Spending Rate %
Health & Safety	4,714	457	9.7%	4,704	4,227	89.9%	7,590	4,090	53.9%	7,745	5,676	73.3%	7,416	4,652	62.7%	59.4%	6,835	5,500	80.5%
Legislated	52,416	20,289	38.7%	31,552	27,738	87.9%	24,189	10,938	45.2%	30,434	22,450	73.8%	17,849	13,007	72.9%	60.4%	5,389	5,389	100.0%
SOGR	1,871	1,487	79.5%	2,923	1,085	37.1%	2,337	1,910	81.7%	2,822	2,776	98.4%	4,024	4,057	100.8%	81.0%	2,566	2,071	80.7%
Service Improvement													906	196	21.6%	21.6%	1,608	961	59.7%
Total	59,001	22,233	37.7%	39,179	33,050	84.4%	34,116	16,938	49.6%	41,001	30,902	75.4%	30,195	21,912	72.6%	61.4%	16,398	13,920	84.9%



- Factors contributing to the average 61.4% spend rate over the past five years include:
 - The Legislated project, *Kipling Acres Redevelopment* was delayed due to weather and site conditions. The project is now complete and the facility reopened in 2017.
 - The Service Improvement project, *Electronic Healthcare Record System* is delayed as no proponents met the mandatory requirements based on the initial structure of the Request for Proposal (RFP) process. The RFP was subsequently restructured and reissued to realign mandatory requirements to the scored requirements.
- Every effort has been made to review all projects to ensure alignment with budgeted cash flow funding and project timelines while taking into consideration the Program's capacity to spend and any emerging urgent needs.
- As a result of this review, several projects have been reprioritized, project costs were further refined and cash flow funding estimates adjusted to reflect the Program's capacity to deliver capital projects. The 2018 Preliminary Capital Budget includes:
 - The deferral of cash flow funding for the *Electronic Healthcare Records System* project to align with revised completion date.
 - The reallocation of \$1.647 million in cash flow funding from *Electrical* to *Building Upgrades, Mechanical, and Specialty System* to meet urgent emerging needs of the homes.
- Long-Term Care Homes & Services has adjusted projected cash flows and will continue to monitor and adjust as appropriate in order to improve capital spending rates in 2018.

Status Update on Kipling Acres Redevelopment Project

- The *Kipling Acres Long-Term Care Home* project (total cost of \$102 million) has been redeveloped in 2 phases with the support of the City of Toronto and the Ministry of Health and Long-Term Care (MOHLTC).
 - Phase I was completed in 2014 and resulted in the opening of 192 beds in the new building and demolition of the old building.
 - Phase II has been substantially completed with the facility opening its doors to residents in Q2 2017. The reopened home brings 145 long-term care beds back into service along with new community hub space. The project will conclude in 2018 and a Project Close-Out report will be submitted separately to City Council.

Issues Impacting the 10-Year Capital Plan

Unmet Needs

Long Term Homes Capital Renewal Strategy and George Street Revitalization (LTC Homes)

- Five of Toronto's 10 long-term care homes (1,232 of its 2,641 Ministry approved beds) need to be redeveloped or retrofitted over a 10-15 year period to comply with new design standards under the Province's mandatory redevelopment strategy.
- The "Unmet Capital Needs" identified by Long-Term Care Homes & Services, as noted in the table below, includes redeveloping four of these sites totaling \$421.582 million to ensure the homes will meet legislative requirements. The City initially funds this debt, the MOHLTC contributes construction funding on a per diem basis, currently set at \$16.65 per bed, excluding \$1.00 per bed for a LEED rating, for a total of \$144.060 million over a 25-year period following project completion.

Unmet Needs – Projects Excluded due to Funding Constraints (In \$000s)

Project Description (In \$000s)	Total Project Expenditure	Non-Debt Funding	Debt Required	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028-2030
Carefree Lodge	83,000.0	34,313.0	48,687.0		6,781.0	18,213.0	28,800.0	29,206.0						
CWT Redevelopment	121,411.0	41,230.0	80,181.0					1,450.0	5,702.0	35,647.0	38,074.0	40,538.0		
Seven Oaks Redevelopment	126,633.0	37,594.0	89,039.0									1,280.0	17,517.0	107,836.0
Lakeshore Lodge Redevelopment	90,538.0	30,923.0	59,615.0						1,486.0	16,600.0	34,812.0	37,640.0		
Total	421,582.0	144,060.0	277,522.0		6,781.0	18,213.0	28,800.0	30,656.0	7,188.0	52,247.0	72,886.0	79,458.0	17,517.0	107,836.0

- The "Unmet Capital Needs" identified above have financial dependencies requiring upfront debt funding to proceed and the provision of replacement beds upon the completion of *George Street Revitalization (GSR)* project so that the level of services to long-term home residents can be maintained throughout the redevelopments. As a result, these projects are not included in the 2018-2027 Preliminary Capital Budget and Plan for Long-Term Care Home & Services.
- With the City Council approval to prepare for the *George Street Revitalization* project in 2015 and 2016, (EX16.13), a multi-purpose facility at George Street is being developed via Design-Build-Finance (DBF) procurement model that will include an emergency shelter program, long-term care home facility, transitional assisted living, affordable housing and a community service hub.
- The *George Street Revitalization* site will provide 378 beds and the necessary swing space for LTCHS to relocate existing residents during the construction phase of the home redevelopments without having to acquire additional land in the downtown core.
- Funding for the *George Street Revitalization* project (\$557.717 million) is included in the 2018-2027 Preliminary Capital Budget and Plan for Shelter Support and Housing Administration (SSHA). If approved by Council through the 2018 Budget process, the facility will act as a catalyst for these redevelopments. Please refer to the 2018-2027 Preliminary Capital Budget and Plan for SSHA for more information.



Appendices

Appendix 1

2017 Performance

2017 Key Accomplishments

In 2017, Long-Term Care Homes & Services made significant progress and/or accomplished the following:

- ✓ Opened Phase II of Kipling Acres bringing 145 long-term care beds back into service along with new community hub space.
- ✓ Acquired and commenced implementation of a new healthcare record and resident information management system.
- ✓ Continued implementation of the division's capital maintenance program by ensuring life safety issues were addressed and the homes were maintained in a state of good repair.

2017 Financial Performance

2017 Budget Variance Analysis (in \$000's)

2017 Budget	As of Sept. 30, 2017		Projected Actuals at Year-End		Unspent Balance	
\$	\$	% Spent	\$	% Spent	\$ Unspent	% Unspent
16,398	4,767	29.1%	13,920	84.9%	2,478	15.1%

* Based on 2017 Q3 Capital Variance Report

The projected actuals for 2017 reflect spending of 84.9% mainly due to minor delays in various Health & Safety and SOGR projects that are expected to be completed in early 2018. In addition, the RFP for *Electronic Health Care System* project has been issued in Q2 2017, with significant spending anticipated in Q4. Due to the delays, the project is expected to be completed in 2019 instead of the original completion date of 2018.

For additional information regarding the 2017 Q3 capital variances and year-end projections for Long-Term Care Homes & Services, please refer to the attached link for the report entitled "*Capital Variance Report for the Nine-Month Period Ended September 30, 2017*" to be considered by City Council at its meeting on December 5, 2017.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.BU37.1>

Impact of the 2017 Capital Variance on the 2018 Preliminary Capital Budget

- As a result of the delays in the capital projects, as described in the 2017 Q3 Capital Variance Report, funding of \$2.478 million is being carried forward to the 2018 Preliminary Capital Budget to continue the capital work.
- A detailed review of the 2018 – 2027 Preliminary Capital Budget and Plan has been conducted and the necessary adjustments has been made to the timing of cash flow funding for capital projects such as *Electronic Healthcare Record System* and health and safety projects which are the major contributors to annual under expenditures. By deferring the cash flow funding to future years, the 2018 Preliminary Capital Budget reflects readiness to proceed and will lead to a higher rate of spending.

Appendix 2

2018 Preliminary Capital Budget; 2019 - 2027 Capital Plan Including Carry Forward (\$000s)

Project	Total Project Cost	Prior Year Carry Forward	2018	2019	2020	2021	2022	2018 - 2022	2023	2024	2025	2026	2027	2018 - 2027 Total
Health & Safety:														
<i>Building Upgrades</i>	5,850			650	650	650	650	2,600	650	650	650	650	650	5,850
<i>Electrical</i>	13,539	335	1,400	1,111	1,111	1,211	1,211	6,044	1,211	1,211	1,211	1,211	1,211	12,099
<i>Mechanical</i>	16,143	700	2,450	1,387	887	887	887	6,498	887	887	887	887	887	10,933
<i>Specialty Systems</i>	5,255	300	1,780	225	225	225	225	2,680	225	225	225	225	225	3,805
Sub-Total	40,787	1,335	5,630	3,373	2,873	2,973	2,973	17,822	2,973	2,973	2,973	2,973	2,973	32,687
State of Good Repair:														
<i>Building Upgrades</i>	32,084	495	3,060	3,292	2,829	2,829	2,829	14,839	2,829	2,829	2,829	2,829	2,829	28,984
<i>Electrical</i>	6,982			810	810	810	810	3,240	810	733	733	733	733	6,982
<i>Mechanical</i>	3,339			371	371	371	371	1,484	371	371	371	371	371	3,339
<i>Specialty Systems</i>	9,934			844	1,094	994	1,167	4,099	1,167	1,167	1,167	1,167	1,167	9,934
Sub-Total	52,339	495	3,060	5,317	5,104	5,004	5,177	23,662	5,177	5,100	5,100	5,100	5,100	49,239
Service Improvements:														
<i>Electronic Health Care System</i>	3,152	648		638				638						638
Sub-Total	3,152	648		638				638						638
Total	96,278	2,478	8,690	9,328	7,977	7,977	8,150	42,122						82,564

Appendix 3

2018 Preliminary Capital Budget; 2019 - 2027 Capital Plan

CITY OF TORONTO

Gross Expenditures (\$000's)

Long Term Care Homes Services																									
							Current and Future Year Cash Flow Commitments						Current and Future Year Cash Flow Commitments Financed By												
							2018	2019	2020	2021	2022	Total 2018-2022	Total 2023-2027	Total 2018-2027	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing	
Sub- Priority	Project No. SubProj No.	Project Name Sub-project Name	Ward	Stat.	Cat.																				
HOM907345 BUILDING UPGRADES																									
0	3	HEALTH & SAFETY FUTURE YEARS	CW	S6	01	0	650	650	650	650	2,600	3,250	5,850	0	0	0	0	5,850	0	0	0	0	0	5,850	
0	4	SOGR FUTURE YEARS	CW	S6	03	0	992	2,829	2,829	2,829	9,479	14,145	23,624	0	0	0	0	5,692	0	0	0	17,932	0	23,624	
0	14	2017 SOGR Building Upgrades	CW	S2	03	1,350	0	0	0	0	1,350	0	1,350	0	0	0	0	171	0	0	0	1,179	0	1,350	
0	15	2018 SOGR Building Upgrades	CW	S4	03	1,710	2,300	0	0	0	4,010	0	4,010	0	0	0	0	2,479	0	0	0	1,531	0	4,010	
Sub-total							3,060	3,942	3,479	3,479	3,479	17,439	17,395	34,834	0	0	0	0	14,192	0	0	0	20,642	0	34,834
HOM907346 ELECTRICAL																									
0	3	SOGR FUTURE YEARS	CW	S6	03	0	810	810	810	810	3,240	3,742	6,982	0	0	0	0	0	0	0	0	6,982	0	6,982	
0	7	HEALTH & SAFETY FUTURE YEARS	CW	S6	01	0	1,111	1,111	1,211	1,211	4,644	6,055	10,699	0	0	0	0	0	0	0	0	10,699	0	10,699	
0	13	2018 H&S Life Safety Systems	CW	S4	01	1,400	0	0	0	0	1,400	0	1,400	0	0	0	0	0	0	0	0	1,400	0	1,400	
Sub-total							1,400	1,921	1,921	2,021	2,021	9,284	9,797	19,081	0	0	0	0	0	0	0	0	19,081	0	19,081
HOM907347 MECHANICAL																									
0	2	HEALTH & SAFETY FUTURE YEARS	CW	S6	01	0	887	887	887	887	3,548	4,435	7,983	0	0	0	0	0	0	0	0	7,983	0	7,983	
0	3	SOGR FUTURE YEARS	CW	S6	03	0	371	371	371	371	1,484	1,855	3,339	0	0	0	0	0	0	0	0	3,339	0	3,339	
0	15	2017 H&S HVAC	CW	S2	01	1,000	0	0	0	0	1,000	0	1,000	0	0	0	0	0	0	0	0	1,000	0	1,000	
0	17	2018 H&S HVAC	CW	S4	01	1,450	500	0	0	0	1,950	0	1,950	0	0	0	0	0	0	0	0	1,950	0	1,950	
Sub-total							2,450	1,758	1,258	1,258	1,258	7,982	6,290	14,272	0	0	0	0	0	0	0	0	14,272	0	14,272
HOM907348 SPECIALTY SYSTEMS																									
0	2	HEALTH & SAFETY FUTURE YEARS	CW	S6	01	0	225	225	225	225	900	1,125	2,025	0	0	0	0	0	0	0	0	2,025	0	2,025	
0	3	SOGR FUTURE YEARS	CW	S6	03	0	844	1,094	994	1,167	4,099	5,835	9,934	0	0	0	0	0	0	0	0	9,934	0	9,934	
0	18	2017 H&S SPECIALTY SYSTEMS	CW	S2	01	450	0	0	0	0	450	0	450	0	0	0	0	0	0	0	0	450	0	450	
0	20	2018 H&S Specialty Systems	CW	S4	01	1,330	0	0	0	0	1,330	0	1,330	0	0	0	0	0	0	0	0	1,330	0	1,330	
Sub-total							1,780	1,069	1,319	1,219	1,392	6,779	6,960	13,739	0	0	0	0	0	0	0	0	13,739	0	13,739
HOM908198 Electronic Healthcare System																									

Report Phase 2 - Program 14 Long Term Care Homes Services Program Phase 2 Part B Sub-Project Status S2,S5,S6 Part C Sub-Project Status S2,S3,S4 Sub-Project Category 01,02,03,04,05,06,07

CITY OF TORONTO**Gross Expenditures (\$000's)****Long Term Care Homes Services**

					Current and Future Year Cash Flow Commitments							Current and Future Year Cash Flow Commitments Financed By												
										Total	Total	Total	Provincial Grants and Subsidies		Federal Subsidy	Development Charges	Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing	
Sub-Project No.	Project Name	Ward	Stat.	Cat.	2018	2019	2020	2021	2022	2018-2022	2023-2027	2018-2027												
HOM908198 Electronic Healthcare System																								
0	1	Electronic Healthcare System	CW	S2	04	0	638	0	0	0	638	0	638	0	0	0	0	638	0	0	0	0	0	638
Sub-total					0	638	0	0	0	638	0	638	0	0	0	0	638	0	0	0	0	0	638	
Total Program Expenditure					8,690	9,328	7,977	7,977	8,150	42,122	40,442	82,564	0	0	0	0	14,830	0	0	0	67,734	0	82,564	

Report Phase 2 - Program 14 Long Term Care Homes Services Program Phase 2 Part B Sub-Project Status S2,S5,S6 Part C Sub-Project Status S2,S3,S4 Sub-Project Category 01,02,03,04,05,06,07

CITY OF TORONTO

Gross Expenditures (\$000's)

Long Term Care Homes Services					Current and Future Year Cash Flow Commitments and Estimates									Current and Future Year Cash Flow Commitments and Estimates Financed By										
Sub-Project No.	Project Name	Ward	Stat.	Cat.	2018	2019	2020	2021	2022	Total 2018-2022	Total 2023-2027	Total 2018-2027	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing			
Priority	SubProj No.	Sub-project Name																						
Financed By:																								
Reserve Funds (Ind."XR" Ref.)					1,650	2,288	1,650	1,650	1,650	8,888	5,942	14,830	0	0	0	0	14,830	0	0	0	0	14,830		
Debt					7,040	7,040	6,327	6,327	6,500	33,234	34,500	67,734	0	0	0	0	0	0	0	67,734	0	67,734		
Total Program Financing					8,690	9,328	7,977	7,977	8,150	42,122	40,442	82,564	0	0	0	0	14,830	0	0	0	67,734	82,564		

Status Code	Description
S2	S2 Prior Year (With 2018 and/or Future Year Cashflow)
S3	S3 Prior Year - Change of Scope 2018 and/or Future Year Cost(Cashflow)
S4	S4 New - Stand-Alone Project (Current Year Only)
S5	S5 New (On-going or Phased Projects)
S6	S6 New - Future Year (Commencing in 2019 & Beyond)

Category Code	Description
01	Health and Safety C01
02	Legislated C02
03	State of Good Repair C03
04	Service Improvement and Enhancement C04
05	Growth Related C05
06	Reserved Category 1 C06
07	Reserved Category 2 C07

Appendix 4

2018 Cash Flow and Future Year Commitments

Report Phase 2 - Program 14 Long Term Care Homes Services Program Phase 2 Part B Sub-Project Status S2 Part C Sub-Project Status S2,S3,S4,S5 Sub-Project Category 01,02,03,04,05,06,07 User Fields ALL

CITY OF TORONTO

Gross Expenditures (\$000's)

Long Term Care Homes Services

Sub-Project No. Project Name Ward Stat. Cat.						Current and Future Year Cash Flow Commitments							Current and Future Year Cash Flow Commitments Financed By												
						2018	2019	2020	2021	2022	Total 2018-2022	Total 2023-2027	Total 2018-2027	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing		
<u>HOM907345 BUILDING UPGRADES</u>																									
0	14	2017 SOGR Building Upgrades	CW	S2	03	1,350	0	0	0	0	1,350	0	1,350	0	0	0	0	171	0	0	0	1,179	0	1,350	
0	15	2018 SOGR Building Upgrades	CW	S4	03	1,710	2,300	0	0	0	4,010	0	4,010	0	0	0	0	2,479	0	0	0	1,531	0	4,010	
Sub-total						3,060	2,300	0	0	0	5,360	0	5,360	0	0	0	0	2,650	0	0	0	2,710	0	5,360	
<u>HOM907346 ELECTRICAL</u>																									
0	13	2018 H&S Life Safety Systems	CW	S4	01	1,400	0	0	0	0	1,400	0	1,400	0	0	0	0	0	0	0	0	1,400	0	1,400	
Sub-total						1,400	0	0	0	0	1,400	0	1,400	0	0	0	0	0	0	0	0	0	1,400	0	1,400
<u>HOM907347 MECHANICAL</u>																									
0	15	2017 H&S HVAC	CW	S2	01	1,000	0	0	0	0	1,000	0	1,000	0	0	0	0	0	0	0	0	1,000	0	1,000	
0	17	2018 H&S HVAC	CW	S4	01	1,450	500	0	0	0	1,950	0	1,950	0	0	0	0	0	0	0	0	1,950	0	1,950	
Sub-total						2,450	500	0	0	0	2,950	0	2,950	0	0	0	0	0	0	0	0	0	2,950	0	2,950
<u>HOM907348 SPECIALTY SYSTEMS</u>																									
0	18	2017 H&S SPECIALTY SYSTEMS	CW	S2	01	450	0	0	0	0	450	0	450	0	0	0	0	0	0	0	0	450	0	450	
0	20	2018 H&S Specialty Systems	CW	S4	01	1,330	0	0	0	0	1,330	0	1,330	0	0	0	0	0	0	0	0	1,330	0	1,330	
Sub-total						1,780	0	0	0	0	1,780	0	1,780	0	0	0	0	0	0	0	0	0	1,780	0	1,780
<u>HOM908198 Electronic Healthcare System</u>																									
0	1	Electronic Healthcare System	CW	S2	04	0	638	0	0	0	638	0	638	0	0	0	0	638	0	0	0	0	0	638	
Sub-total						0	638	0	0	0	638	0	638	0	0	0	0	638	0	0	0	0	0	0	638
Total Program Expenditure						8,690	3,438	0	0	0	12,128	0	12,128	0	0	0	0	3,288	0	0	0	8,840	0	12,128	

CITY OF TORONTO

Gross Expenditures (\$000's)

Long Term Care Homes Services						Current and Future Year Cash Flow Commitments and Estimates							Current and Future Year Cash Flow Commitments and Estimates Financed By											
Sub- Priority	Project No. SubProj No.	Project Name Sub-project Name	Ward	Stat.	Cat.	2018	2019	2020	2021	2022	Total 2018-2022	Total 2023-2027	Total 2018-2027	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserve Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing	
Financed By:																								
		Reserve Funds (Ind."XR" Ref.)				1,650	1,638	0	0	0	3,288	0	3,288	0	0	0	0	3,288	0	0	0	0	0	3,288
		Debt				7,040	1,800	0	0	0	8,840	0	8,840	0	0	0	0	0	0	0	0	8,840	0	8,840
Total Program Financing						8,690	3,438	0	0	0	12,128	0	12,128	0	0	0	0	3,288	0	0	0	8,840	0	12,128

- Status Code
- Description
- S2
- S2 Prior Year (With 2018 and/or Future Year Cashflow)
- S3
- S3 Prior Year - Change of Scope 2018 and/or Future Year Cost(Cashflow)
- S4
- S4 New - Stand-Alone Project (Current Year Only)
- S5
- S5 New (On-going or Phased Projects)

- Category Code
- Description
- 01
- Health and Safety C01
- 02
- Legislated C02
- 03
- State of Good Repair C03
- 04
- Service Improvement and Enhancement C04
- 05
- Growth Related C05
- 06
- Reserved Category 1 C06
- 07
- Reserved Category 2 C07

Appendix 5

2018 Preliminary Capital Budget with Financing Detail

(Phase 2) 14-Long Term Care Homes Services

Sub-Project Category: 01,02,03,04,05,06,07

Type: B Sub-Project Status: S2

Type: C Sub-Project Status: S2,S3,S4,S5



CITY OF TORONTO

Long Term Care Homes Services
Sub-Project Summary

Project/Financing

Priority Project Project Name

Project/Financing					2018	Financing									
Priority	Project	Project Name	Start Date	Completion Date	Cash Flow	Provincial Grants Subsidies	Federal Subsidy	Developmt Charges	Reserves	Reserve Funds	Capital From Current	Other 1	Other 2	Debt	Debt - Recoverable
0	<u>HOM90734</u>	<u>BUILDING UPGRADES</u>													
0	14	2017 SOGR Building Upgrades	01/01/2017	12/31/2018	1,350	0	0	0	0	171	0	0	0	1,179	0
0	15	2018 SOGR Building Upgrades	01/01/2018	12/31/2019	1,710	0	0	0	0	1,479	0	0	0	231	0
		Project Sub-total:			3,060	0	0	0	0	1,650	0	0	0	1,410	0
0	<u>HOM90734</u>	<u>ELECTRICAL</u>													
0	13	2018 H&S Life Safety Systems	01/01/2018	12/31/2019	1,400	0	0	0	0	0	0	0	0	1,400	0
		Project Sub-total:			1,400	0	0	0	0	0	0	0	0	1,400	0
0	<u>HOM90734</u>	<u>MECHANICAL</u>													
0	15	2017 H&S HVAC	01/01/2017	12/31/2018	1,000	0	0	0	0	0	0	0	0	1,000	0
0	17	2018 H&S HVAC	01/01/2018	12/31/2019	1,450	0	0	0	0	0	0	0	0	1,450	0
		Project Sub-total:			2,450	0	0	0	0	0	0	0	0	2,450	0
0	<u>HOM90734</u>	<u>SPECIALTY SYSTEMS</u>													
0	18	2017 H&S SPECIALTY SYSTEMS	01/01/2017	12/31/2018	450	0	0	0	0	0	0	0	0	450	0
0	20	2018 H&S Specialty Systems	01/01/2018	12/31/2019	1,330	0	0	0	0	0	0	0	0	1,330	0
		Project Sub-total:			1,780	0	0	0	0	0	0	0	0	1,780	0
Program Total:					8,690	0	0	0	0	1,650	0	0	0	7,040	0

Status Code Description

S2 S2 Prior Year (With 2018 and/or Future Year Cashflow)
 S3 S3 Prior Year - Change of Scope 2018 and/or Future Year Cost(Cashflow)
 S4 S4 New - Stand-Alone Project (Current Year Only)
 S5 S5 New (On-going or Phased Projects)

Category Code Description

01 Health and Safety C01
 02 Legislated C02
 03 State of Good Repair C03
 04 Service Improvement and Enhancement C04
 05 Growth Related C05
 06 Reserved Category 1 C06
 07 Reserved Category 2 C07

Appendix 6

Reserve / Reserve Fund Review

Reserve / Reserve Fund – Program Specific (\$000s)

Reserve / Reserve Fund Name	Project / Sub-Project Name and Number	Projected Balance as at Dec 31, 2017 *	Contributions / (Withdrawals)										2018 - 2027 Total Contributions / (Withdrawals)
			2018 Budget	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	
Homes for the Aged (XR2103)	Beginning Balance	5,319	5,319	5,024	4,091	3,796	3,501	3,206	2,911	3,193	3,475	3,757	
	Withdrawals (-)												
	<i>Capital Maintenance Draw</i>		(1,650)	(1,650)	(1,650)	(1,650)	(1,650)	(1,650)	(1,073)	(1,073)	(1,073)	(1,073)	(14,192)
	<i>Electronic Healthcare Record Draw</i>			(638)									(638)
	Total Withdrawals		(1,650)	(2,288)	(1,650)	(1,650)	(1,650)	(1,650)	(1,073)	(1,073)	(1,073)	(1,073)	(14,830)
	Contributions (+)												
	<i>Interest Income</i>		10	10	10	10	10	10	10	10	10	10	
	<i>Other contributions</i>		1,345	1,345	1,345	1,345	1,345	1,345	1,345	1,345	1,345	1,345	13,450
	Total Contributions		1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	13,450
Total Reserve Fund Balance at Year-End		5,319	5,024	4,091	3,796	3,501	3,206	2,911	3,193	3,475	3,757	4,039	(1,380)

* Based on the 2017 Q3 Variance Report